Opening
Indonesia Market Report
Asia Securities Forum 2017

Presented by Karman Pamurahardjo
Chairman of Indonesia Securities Companies Association (APEI)
Overview

- Economic At a Glance
- Capital Market Performance:
  - Stock Market
  - Bond Market
  - Mutual Fund Market
- Market Development
Economic at A Glance: NOW vs CRISIS

**IDR Depreciation (%)**
Depreciation rate is lower than 1998 & 2008

- 1998-197%: 5.900.85
- 2008: 256
- Sep-17: 1,111

**Inflation (%)**
Inflation controlled under the revised budget target

- 1998: 55.67
- 2008: 10.27
- Sep-17: 3.72

**Policy Rate (%)**
Policy rate is significantly lower

- 1998: 60
- 2008: 9.25
- Sep-17: 4.25

**Foreign Reserves (USD Billion)**
Significantly higher than 1998 & 2008, ample to cover 8.2 months of import and external debt repayment

- 1998: 17.40
- 2008: 50.20
- Sep-17: 129.40

**Non-Performing Loan (NPL, %)**
NPL level is below the maximum threshold of 5%

- 1998: 30
- 2008: 3.8
- Jul-17: 3

**JCI Index (IHSG)**
JCI is significantly higher than 1998 & 2008

- 1998: 256
- 2008: 1,111
- Sep-17: 5,900.85

**Government Debt/GDP (%)**
Continue to decline and allocated to productive sectors

- 1998: 100.0%
- 2008: 27.4%
- May 2017: 28.1%

**External Debt/GDP**
Slightly higher than 2008, but significantly lower than 1998

- 1998: 116.8%
- 2008: 33.2%
- Q2-2017: 34.5%

**External Debt (Public & Private) to FX Reserve Ratio**
Significantly lower than 1998 crisis

- 1998: 8.6x
- 2008: 3.1x
- Q2-2017: 2.7x

Source: Bank Indonesia
Stock Market Performance

Source: Yahoo Finance

<table>
<thead>
<tr>
<th>Year</th>
<th>JCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>5858.21</td>
</tr>
<tr>
<td>2008</td>
<td>5928.79</td>
</tr>
<tr>
<td>2009</td>
<td>5774.31</td>
</tr>
<tr>
<td>2010</td>
<td>5900.85</td>
</tr>
</tbody>
</table>

CAGR in 10 years: 9.6%
YTD Comparison By Country

YTD Return
(Jan 3rd 2017 – Sept 29th 2017)

- Hongkong: HSCI, 27.3%
- Vietnam: HOSE, 19.7%
- India: NIFTY 50, 19.7%
- Philippines: PSE, 19.1%
- South Korea: KOSPI, 18.2%
- Indonesia: JCI, 11.8%
- Singapore: STI, 11.1%
- Germany: Dax, 10.6%
- France: CAC 40, 9.2%
- Malaysia: KLCI, 7.3%
- Thailand: SET, 7.0%
- China: SCI, 6.8%
- Australia: ASX, 4.1%
- Japan: N225, 3.9%
- UK: FTSE 100, 2.7%
- Laos: LSX, -3.4%

Market Cap % Change
(2015-2016)

- Hongkong: 30.1%
- Vietnam: 23.0%
- Indonesia: 18.1%
- India: 11.2%
- Thailand: 8.6%
- Malaysia: 8.1%
- Singapore: 6.2%
- Germany: 6.1%
- France: 6.0%
- Malaysia: 4.5%
- Thailand: 2.3%
- China: 0.3%
- Laos: -5.5%
- Vietnam: -1.7%
- Japan: -1.9%
- UK: -3.6%
- Laos: -5.5%

Source: Bloomberg, World Federation of Exchange
Stock Market Performance

Transaction

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (US$ Bn)</th>
<th>Value Daily Avg (US$ Mn)</th>
<th>Daily Freq (x k)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>131</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>135</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>115</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>124</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>117</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>102</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>137</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3Q2017</td>
<td>312</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Indonesia Stock Exchange
Listed Company Progress

Source: Indonesia Stock Exchange
Listed Company Progress Comparison By Country

SGX
CAGR: -0.4%

SSE
CAGR: 4.1%

SZSE
CAGR: 6.9%

ASX
CAGR: 0.7%

Malaysia
CAGR: -0.8%

IDX
CAGR: 3.6%

Source: Indonesia Stock Exchange, World Federation of Exchange
# of Investor Progress

Growth: 86.9% (CAGR: 9.3%)

Source: Indonesia Stock Exchange
Investor Breakdown

Transaction

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic (% total Val)</th>
<th>Foreign (% total Val)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>57</td>
<td>43</td>
</tr>
<tr>
<td>2013</td>
<td>58</td>
<td>42</td>
</tr>
<tr>
<td>2014</td>
<td>59</td>
<td>41</td>
</tr>
<tr>
<td>2015</td>
<td>57</td>
<td>43</td>
</tr>
<tr>
<td>2016</td>
<td>63</td>
<td>37</td>
</tr>
<tr>
<td>3Q2017</td>
<td>63</td>
<td>37</td>
</tr>
</tbody>
</table>

Share Ownership

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic (%)</th>
<th>Foreign (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>59</td>
<td>41</td>
</tr>
<tr>
<td>2013</td>
<td>63</td>
<td>37</td>
</tr>
<tr>
<td>2014</td>
<td>64</td>
<td>36</td>
</tr>
<tr>
<td>2015</td>
<td>64</td>
<td>36</td>
</tr>
<tr>
<td>2016</td>
<td>54</td>
<td>46</td>
</tr>
<tr>
<td>3Q2017</td>
<td>52</td>
<td>48</td>
</tr>
</tbody>
</table>

Source: Indonesia Stock Exchange
Scope of Transaction Value by Brokers

AS of Sep 2017

Value (IDR Tn) vs # of Active Broker

50% 128
55% 140
60% 156
65% 165
70% 179
75% 182
80% 202
85% 215
90% 227
95% 240

Source: Indonesia Stock Exchange
Brokers Breakdown

September 4 – 29, 2017

Breakdown by # of Broker

- **Bank Related**: 87%
  - **Foreign**: 27%
  - **Local**: 73%

- **Non Bank Related**: 13%
  - **Foreign**: 43%
  - **Local**: 57%

Breakdown by Transaction Value

- **Bank Related**: 73%
  - **Foreign**: 44%
  - **Local**: 56.2%

- **Non Bank Related**: 27%
  - **Foreign**: 23%
  - **Local**: 77%

Source: Indonesia Stock Exchange
## Bond Trading Activities

### Corporate Bond

<table>
<thead>
<tr>
<th>Year</th>
<th>Outstanding IDR Denominated (Trillion Rp)</th>
<th>Outstanding USD Denominated (Million USD)</th>
<th>Daily Average Volume IDR Denominated (Trillion Rp)</th>
<th>Daily Average Volume USD Denominated (Million USD)</th>
<th>Volume (X)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>57.76</td>
<td>105.00</td>
<td>0.11</td>
<td>0.02</td>
<td>21</td>
</tr>
<tr>
<td>2006</td>
<td>61.51</td>
<td>105.00</td>
<td>0.14</td>
<td>0.01</td>
<td>11</td>
</tr>
<tr>
<td>2007</td>
<td>79.07</td>
<td>105.00</td>
<td>0.28</td>
<td>0.04</td>
<td>63</td>
</tr>
<tr>
<td>2008</td>
<td>73.01</td>
<td>N/A</td>
<td>0.22</td>
<td>0.07</td>
<td>50</td>
</tr>
<tr>
<td>2009</td>
<td>88.90</td>
<td>N/A</td>
<td>0.16</td>
<td>N/A</td>
<td>41</td>
</tr>
<tr>
<td>2010</td>
<td>115.84</td>
<td>N/A</td>
<td>0.36</td>
<td>N/A</td>
<td>61</td>
</tr>
<tr>
<td>2011</td>
<td>148.46</td>
<td>80.00</td>
<td>0.51</td>
<td>0.36</td>
<td>73</td>
</tr>
<tr>
<td>2012</td>
<td>189.44</td>
<td>100.00</td>
<td>0.65</td>
<td>0.11</td>
<td>103</td>
</tr>
<tr>
<td>2013</td>
<td>220.58</td>
<td>100.00</td>
<td>0.75</td>
<td>0.07</td>
<td>81</td>
</tr>
<tr>
<td>2014</td>
<td>225.88</td>
<td>100.00</td>
<td>0.69</td>
<td>0.04</td>
<td>91</td>
</tr>
<tr>
<td>2015</td>
<td>252.30</td>
<td>100.00</td>
<td>0.76</td>
<td>0.03</td>
<td>91</td>
</tr>
<tr>
<td>2016</td>
<td>252.30</td>
<td>100.00</td>
<td>0.90</td>
<td>0.03</td>
<td>98</td>
</tr>
<tr>
<td>2017</td>
<td>368.44</td>
<td>47.50</td>
<td>1.22</td>
<td>0.01</td>
<td>118</td>
</tr>
</tbody>
</table>

### Government Bond

<table>
<thead>
<tr>
<th>Year</th>
<th>Outstanding IDR Denominated (Trillion Rp)</th>
<th>Outstanding USD Denominated (Million USD)</th>
<th>Volume (X)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>399.86</td>
<td>N/A</td>
<td>2.64</td>
</tr>
<tr>
<td>2006</td>
<td>418.75</td>
<td>N/A</td>
<td>2.96</td>
</tr>
<tr>
<td>2007</td>
<td>477.75</td>
<td>N/A</td>
<td>4.37</td>
</tr>
<tr>
<td>2008</td>
<td>525.69</td>
<td>N/A</td>
<td>3.89</td>
</tr>
<tr>
<td>2009</td>
<td>581.75</td>
<td>N/A</td>
<td>3.31</td>
</tr>
<tr>
<td>2010</td>
<td>641.21</td>
<td>N/A</td>
<td>5.80</td>
</tr>
<tr>
<td>2011</td>
<td>723.61</td>
<td>N/A</td>
<td>7.95</td>
</tr>
<tr>
<td>2012</td>
<td>820.27</td>
<td>N/A</td>
<td>8.11</td>
</tr>
<tr>
<td>2013</td>
<td>995.25</td>
<td>N/A</td>
<td>7.60</td>
</tr>
<tr>
<td>2014</td>
<td>1,209.96</td>
<td>N/A</td>
<td>11.63</td>
</tr>
<tr>
<td>2015</td>
<td>1,425.99</td>
<td>N/A</td>
<td>13.82</td>
</tr>
<tr>
<td>2016</td>
<td>1,773.28</td>
<td>N/A</td>
<td>14.74</td>
</tr>
<tr>
<td>2017</td>
<td>2,046.93</td>
<td>N/A</td>
<td>16.55</td>
</tr>
</tbody>
</table>

As of September 2017

Source: Indonesia Stock Exchange
Bond Ownership Distribution

As of September 2017 (in Trillion IDR)

Corporate Bond Ownership

- Mutual Fund: 99.29 (27.95%)
- Pension Fund: 77.58 (21.84%)
- Financial Inst: 70.06 (19.72%)
- Insurance: 63.81 (17.96%)
- Corporate: 16.89 (4.76%)
- Others: 12.44 (3.50%)
- Individual: 10.54 (2.97%)
- Foundation: 3.95 (1.11%)
- Securities Company: 0.65 (0.18%)

Government Bond Ownership

- Mutual Fund: 96.35 (4.71%)
- Pension Fund: 87.27 (4.26%)
- Financial Inst: 581.68 (28.42%)
- Bank: 554.38 (27.95%)
- Foreign: 819.37 (40.03%)
- BI: 31.30 (1.53%)
- Individual: 55.53 (2.71%)
- Others: 117.49 (5.74%)
- Insurance Company: 257.96 (12.60%)

Source: Indonesia Central Securities Depository (KSEI), Indonesian Debt Management Office (DJPU)
Mutual Fund - AUM

IDR Trillion

<table>
<thead>
<tr>
<th>Month</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-17</td>
<td>353</td>
</tr>
<tr>
<td>Feb-17</td>
<td>356</td>
</tr>
<tr>
<td>Mar-17</td>
<td>364</td>
</tr>
<tr>
<td>Apr-17</td>
<td>370</td>
</tr>
<tr>
<td>May-17</td>
<td>373</td>
</tr>
<tr>
<td>Jun-17</td>
<td>383</td>
</tr>
<tr>
<td>Jul-17</td>
<td>391</td>
</tr>
<tr>
<td>Aug-17</td>
<td>407</td>
</tr>
<tr>
<td>Sep-17</td>
<td>415</td>
</tr>
</tbody>
</table>
Mutual Fund – Asset Allocation

As of September 22, 2017

Total NAV of Mutual Fund Rp407.35 Trillion
Market Development

- Brokerage and Underwriting Fee
- Margin Trading vs Adjusted Net Working Capital
- Licensing of Securities Companies Association
  - Recognition by Regulator
  - License to arrange Continuous Education for BoD and BoC
- S-INVEST
- E-VOTING
- Tax Amnesty
- MER by APG on AML/CFT
Thank You